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**CENTRAL INTELLIGENCE AGENCY**

Legislative Liaison Branch  
Washington, D. C. 20505

Telephone:  1 April 82

**TO:** Mr. Howard Useem  
Committee on Energy  
United States Senate  
Washington, D.C. 20510

Howard:

Enclosed is the information that you  
requested. Hope this helps.

Chief, Senate Liaison

Enclosure

FORM 3-79 **1533** OBSOLETE  
PREVIOUS EDITIONS.

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# **Past Disruptions of Oil Production**

Dates		Duration (Months of Lost Production)	Magnitude of Supply Shortfall (Million b/d)
March 1951–October 1954	<i>Mossadegh and the Anglo-Iranian Oil Companies.</i> Iranian oilfields were nationalized on May 1, following two months of unrest and strikes in the Abadan area. Major oil companies boycotted Iranian oil on the world oil market and instituted court actions to deter potential buyers.	44	0.7
November 1956–March 1957	<i>Suez War.</i> Nasser closed the Suez Canal in the wake of the Anglo-French-Israeli incursion. At the same time, the Iraqi Petroleum Company (IPC) pipeline was damaged in Syria, and Saudi Arabia embargoed oil shipments to the United Kingdom and France.	4	2.0
December 1966–March 1967	<i>Syrian Transit Fee Dispute.</i> Syria imposed new transit taxes on the IPC pipelines to the Mediterranean. IPC stopped the flow of oil, refusing to pay the higher taxes. Iraq demanded full revenues from the oil companies operating there, despite the diminished production.	3	0.7
June 1967–August 1967	<i>Six Day War.</i> Suez Canal closed, and IPC and Tapline pipelines shut down following the Israeli strike into the Sinai. Oil exports were embargoed to Western Europe—particularly to the United Kingdom and West Germany—and the United States.	2	2.0
July 1967–October 1968	<i>Nigerian Civil War.</i> Oil terminals were blockaded by the Nigerian Federal Navy, choking off exports. Shell and BP ceased production in the country during most of the war.	15	0.5
May 1970–January 1971	<i>Libyan Price Controversy.</i> Libya gradually reduced the authorized production by selected oil companies, claiming potential damage to the oilfields. At the same time, the Tapline was damaged in Syria, forcing a shutdown until Syria authorized repairs. Production cuts were restored, and the pipeline in Syria was quickly repaired once Libya obtained higher oil prices from the companies.	9	1.3
April 1971–August 1971	<i>Algerian-French Nationalization Struggle.</i> Algeria nationalized 51 percent of the oil companies and pipelines—all French owned—operating within its borders and announced compensation plans. The Algerians then unilaterally raised oil export prices to French firms, leading the companies to seek a worldwide embargo against Algerian oil. Algeria retaliated by suspending oil deliveries to French tankers, claiming that the companies owed back taxes. Oil flows resumed in August after a CFP-Algerian agreement in July. All other companies accepted the Algerian terms by December.	5	0.6
March 1973–May 1973	<i>Lebanese Political Conflict.</i> Unrest in Lebanon disrupted the flow of oil from Iraq and Saudi Arabia. Following a Lebanese takeover of IPC facilities near Tripoli, Iraq cut off oil exports to Lebanon and was denied use of Lebanon's transit facilities. In April, a storage tank and parts of the Tapline facility at Sidon were destroyed by sabotage.	2	0.5

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**Past Disruptions of Oil Production (continued)**


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Dates		Duration (Months of Lost Production)	Magnitude of Supply Shortfall (Million b/d)
October 1973–March 1974	<i>The October Arab-Israeli War.</i> OAPEC embargoed oil shipments to selected Western countries and reduced oil production. Transit through the Suez Canal was halted, further delaying shipments to the United States and Western Europe. OPEC production returned to the level of October 1973 in the first quarter of 1974. Saudi Arabia finally ended the embargo on 18 March 1974.	5	1.6
April 1976–May 1976	<i>Civil War in Lebanon.</i> Political instability in Lebanon led Iraq to reduce oil exports via the pipelines through Lebanon to the Mediterranean.	2	0.3
May 1977	<i>Damage at a Saudi Oilfield.</i> Fires damaged a gas-oil separation facility at Saudi Arabia's Abqaiq field. Repairs took nearly one year, but other Saudi production quickly offset the loss.	1	0.7
November 1978–April 1979	<i>The Khomeini Revolution in Iran.</i> Unrest in the oilfields shut down production during the fourth quarter of 1978 and the first quarter of 1979. Output was gradually restored to around 4 million b/d starting in May 1979.	6	3.7
October 1980–December 1981*	<i>Iran-Iraq War.</i> The Iraqi-initiated regional conflict sharply curtailed oil exports from both countries, particularly through the Persian Gulf. There were intermittent air attacks and sabotage damage to export terminals, processing facilities, and pipelines in both countries.	15	1.3

\* For analytical purposes, we assumed that this ongoing conflict ends with the conclusion of our sample period, December 1981.

Unclassified

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